

*Main Office
400 North Tampa Street, Suite 3200
Tampa, Florida 33602
813/274-6000
813/274-6358 (Fax)*



*Post Office Box 600
200 West Forsyth Street, Room 700
Jacksonville, Florida 32201
904/232-2682
904/232-2620 (Fax)*

*2110 First Street, Suite 3-137
Fort Myers, Florida 33901
941/461-2200
941/461-2219 (fax)*

**U.S. Department of Justice
United States Attorney
Middle District of Florida**

*80 North Hughey Avenue, Room 201
Orlando, Florida 32801
407/648-7500
407/648/7643 (Fax)*

Reply to: Tampa, Florida

August 6, 2001

GERALD AND BETTY PAYNE SENTENCED IN GREATER MINISTRIES CASE

U.S. District Judge James D. Whittemore today sentenced Gerald Payne to 27-years in federal prison. His wife Betty Payne was sentenced to 12-years and seven months. Judge Whittemore said he will decide the amount of restitution within the next 90-days.

The pair was found guilty by a jury back on March 12, 2001 of conspiracy to commit mail fraud, wire fraud and to transport in interstate commerce money taken by fraud, five counts of money laundering and five counts of conducting unlawful money laundering transactions. Gerald Payne was also found guilty of three counts of unlawful structuring of currency transactions.

Three co-defendants are scheduled for sentencing later this week. On August 8, 2001, Patrick Talbert is scheduled for sentencing at 1:15 p.m and Haywood Hall is scheduled for sentencing at 3:00 p.m. On August 9, 2001, David Whitfield is scheduled for sentencing at 3:00 p.m. On June 6, 2001, James R. Chambers was sentenced to 60 months in federal prison and Andrew J. Krishak to 30 months. The pair pled guilty in November of last year to a single charge of conspiracy to commit mail fraud, wire fraud and to transport property by fraud across state lines.

BACKGROUND INFORMATION:

On March 12, 2001, following a six week trial and three days of jury deliberations, five individuals affiliated with Greater Ministries International, Inc. (GMI) were convicted in Tampa, Florida, on a variety of federal charges stemming from a scheme to defraud more than 18,000 investors out of hundreds of millions of dollars.

Gerald Payne, Betty Payne, Patrick Talbert and David Whitfield were all convicted of one count of conspiracy to commit mail fraud, wire fraud and to transport in interstate commerce money taken by fraud, one count of conspiracy to commit money laundering violations, four counts of mail fraud, five counts of money laundering and five counts of conducting unlawful money laundering transactions. Gerald Payne was also found guilty of three counts of unlawful structuring of currency transactions.

Haywood Eudon Hall was found guilty of both conspiracies and of three mail fraud counts. The jury found Hall not guilty on one mail fraud, five money laundering and five unlawful financial transaction counts.

The charges resulted from the defendants' promotion and operation of a fraudulent investment program through GMI. The indictment charged that beginning as early as March 1993 and continuing through January 1999 the defendants obtained money from victim investors by promising that twice the amount placed into the investment program would be returned to each victim investor, in incremental payments, within a 17 month period. The indictment also alleged that the defendants created the illusion that GMI was engaging in profitable investment activity by making periodic payments to victim investors which were purportedly returns on investments but were actually made with funds obtained from later investors. The defendants further made false statements concerning the assets

of GMI and failed to disclose to victim investors that GMI paid a percentage of victim investor funds to GMI “elders” as commission payments.

Each conspiracy, mail fraud and structuring count carries a maximum penalty of five years imprisonment and a \$250,000 fine. The money laundering conspiracy and each unlawful monetary transaction count carries a maximum term of imprisonment of 10 years and a fine of \$250,000. The maximum punishment for each money laundering count is 20 years imprisonment and a \$500,000 fine.

This case was investigated by Special Agents of the Internal Revenue Service-Criminal Investigation, and law enforcement agents from the U.S. Postal Inspection Service, U.S. Customs Service, U.S. Secret Service, Federal Deposit Insurance Corporation, and the Florida Department of Banking and Finance’s Regional Office in Tampa. The case was prosecuted by Assistant United States Attorneys Jay L. Hoffer and Robert A. Mosakowski of the Tampa Division.